

ABSTRACT

Manufacturing companies profitability in Indonesia were affected by financial factors which can be measured from financial ratio. The aim of this study is to investigate the effect of inventory period, account payable period, current ratio, leverage, growth and firm size to ROA at manufacturing companies.

Population in this study is manufacturing companies which listed in BEI fom 2006 to 2008, that are 149 companies. Sample was taken using purposive sampling method, and 47 companies selected as the sample of the research. The financial ratio such as inventory period, account payable period, current ratio, leverage, growth and size to ROA are studied using regression analysis method.

The result shows that there are three variables, account payable, leverage and firm size which have significant effect on ROA. And another variables have no significant impact on ROA. These results show that only account payable, leverage and firm size variable which affect profitability. In the other hand, inventory period, current ratio, and growth have no significant effect in achieving profit at manufacturing company which listed in Bursa Efek Indonesia at 2006-2008

Keyword : financial ratio, profitability